

SCHEDULE A

DRAFT BUDGET AND SUPPORTING DOCUMENTATION OF VULAMEHLO MUNICIPALITY

DRAFT BUDGET OF

VULAMEHLO MUNICIPALITY



2015/2016 TO 2017/2018

Table of Contents

Part 1 - Annual Budget	1
1.1 Mayor's Report.....	1
1.2 Council Resolutions.....	2
1.3 Executive Summary	3
1.3 Annual Budget Tables	4
Part 2 – Supporting Documentation	25
2.1 Overview of the annual budget process	25
2.2 Overview of alignment of annual budget with IDP	27
2.3 Measurable performance objectives and indicators	34
2.4 Overview of budget related-policies	41
2.5 Overview of budget assumptions.....	42
2.6 Overview of budget funding	43
2.7 Expenditure on grants and reconciliations of unspent funds.....	49
2.8 Councillor and employee benefits.....	51
2.9 Monthly targets for revenue, expenditure and cash flow	56
2.10 Capital expenditure details.....	67
2.11 Legislation compliance status	77
2.12 Other supporting documents	78
2.13 Municipal manager's quality certificate	85

List of Tables

Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	9
Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	10
Table 4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	11
Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	14
Table 6 MBRR Table A6 - Budgeted Financial Position	17
Table 7 MBRR Table A7 - Budgeted Cash Flow Statement	19
Table 8 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	19
Table 9 MBRR Table A9 - Asset Management.....	21
Table 10 MBRR Table A10 - Basic Service Delivery Measurement	22
Table 11 IDP Strategic Objectives	28
Table 12 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	30
Table 13 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	31
Table 14 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	33
Table 15 MBRR Table SA7 - Measurable performance objectives.....	37
Table 16 MBRR Table SA8 - Performance indicators and benchmarks.....	40
Table 17 MBRR SA15 – Detail Investment Information	44
Table 18 MBRR SA16 – Investment particulars by maturity.....	44
Table 19 MBRR Table SA 18 - Capital transfers and grant receipts	46
Table 20 MBRR Table A7 - Budget cash flow statement.....	47
Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	48

Table 22 MBRR SA10 – Funding compliance measurement	49
Table 23 MBRR SA19 - Expenditure on transfers and grant programmes.....	50
Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	51
Table 25 MBRR SA22 - Summary of councillor and staff benefits	51
Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	53
Table 27 MBRR SA24 – Summary of personnel numbers	55
Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure	56
Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	58
Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	60
Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	62
Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	64
Table 33 MBRR SA30 - Budgeted monthly cash flow.....	65
Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class.....	67
Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	69
Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	72
Table 37 MBRR SA35 - Future financial implications of the capital budget	74
Table 38 MBRR SA36 - Detailed capital budget per municipal vote	75
Table 39 MBRR SA37 - Projects delayed from previous financial year	75
Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance	78
Table 41 MBRR Table SA3 – Supporting detail to Statement of Financial Position.....	83
Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	84
Table 42 MBRR SA32 – List of external mechanisms	

Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1. MAYORS REPORT

MAYORAL DRAFT BUDGET SPEECH

It gives me great pleasure to present the Municipal Final Budget for the 2015/2016 Financial Year. This Budget is a true reflection of the partnership between the municipality and its communities. We have conducted Budget Road shows within the municipal area, soliciting inputs from our communities and the inputs received have helped us understand the needs of our citizens.

We hope that with this final budget we will be able to deliver services in an equitable manner. We know and understand that our community needs will not all be addressed entirely but we will be able to address some of the basic needs.

CLLR WT DUBE
MAYOR- VULAMEHLO MUNICIPALITY

COUNCIL RESOLUTIONS

EXECUTIVE SUMMARY

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved IDP.

The budget was made possible through continuous consultation with the local community, the relevant government departments and the internal departments of the Municipality to ensure that the priorities are properly aligned and addressed.

It is each Council's responsibility to ensure that its budget complies with the following three criteria, i.e.:

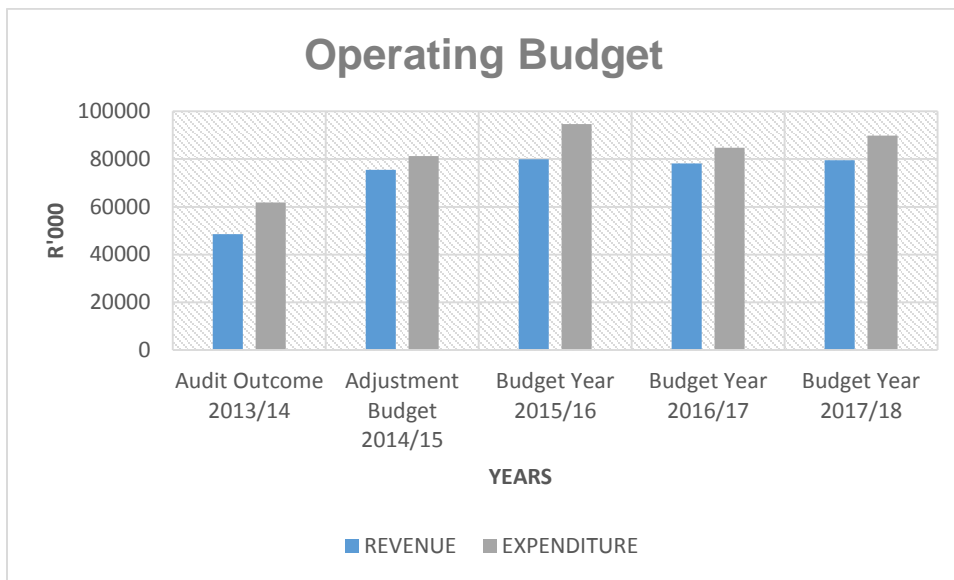
- Sustainability, to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
- Credibility, to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
- Governance, that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.

FINANCIAL SUMMARY ON 2015/2016

The total budget amounts for the 2015/16 year is R141 million. This consists an operating budget of R94,664 million or 67% of the total budget and a capital budget of R46, 560million or 33% of the total budget.

OPERATING BUDGET

The following graph shows the operating budget income and expenditure separately for 2012/2013 Audit Outcomes, 2013/2014 Original Budget, 2013/2014 Adjustment budget, 2017/2015 Budget Year and 2015/2016 Budget Year financial years.



Operating revenue increased from R 75 494 million in 2014/15 to R 79 934 million in 2015/16. The total Operating expenditure has increased from R 81 305 million in 2014/15 to R 94 664 million in 2015/16.

CAPITAL BUDGET

The Capital Budget increased from R 17, 733 million in 2014/15 to R 46,560 million in 2015/16 which includes 20 million for disaster projects.

2. ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/2015 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*

Table 1 MBRR Table A1 – Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	1 487	1 824	2 237	2 235	2 235	-	-	2 320	2 462	2 613
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	221	482	856	650	650	-	-	700	750	750
Transfers recognised - operational	32 781	44 556	45 055	57 391	60 107	-	-	76 532	74 661	75 901
Other own revenue	320	628	396	3 405	12 502	-	-	382	305	273
Total Revenue (excluding capital transfers and contributions)	34 809	47 490	48 543	63 681	75 494	-	-	79 934	78 178	79 537
Employee costs	10 958	13 406	15 355	18 332	18 332	18 332	-	20 017	21 248	22 491
Remuneration of councillors	5 154	6 665	6 684	6 002	6 002	-	-	7 104	7 541	7 982
Depreciation & asset impairment	5 666	9 609	15 498	8 400	11 301	11 301	-	11 979	12 698	13 460
Finance charges	411	330	299	335	1 135	-	-	144	152	161
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	3 548	6 379	7 995	-	-	-	-	14 722	-	-
Other expenditure	14 953	18 666	15 990	34 278	44 535	-	-	40 699	43 141	45 729
Total Expenditure	40 689	55 056	61 822	67 347	81 305	29 633	-	94 664	84 779	89 823
Surplus/(Deficit)	(5 880)	(7 566)	(13 279)	(3 666)	(5 812)	(29 633)	-	(14 730)	(6 601)	(10 286)
Transfers recognised - capital	15 741	11 568	21 799	17 999	17 999	-	-	46 560	49 145	20 022
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Capital expenditure & funds sources										
Capital expenditure	13 234	12 483	19 526	-	23 489	-	-	19 030	-	-
Transfers recognised - capital	13 234	12 483	19 526	-	17 999	-	-	18 060	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	5 490	-	-	970	-	-
Total sources of capital funds	13 234	12 483	19 526	-	23 489	-	-	19 030	-	-
Financial position										
Total current assets	7 025	19 589	17 723	22 151	31 041	-	-	10 523	10 600	10 546
Total non current assets	109 477	122 286	126 272	92 817	92 817	-	-	127 947	127 947	127 947
Total current liabilities	6 579	16 985	10 532	4 132	4 132	-	-	8 842	8 842	8 842
Total non current liabilities	1 839	1 014	1 067	100	100	-	-	1 084	1 084	1 084
Community wealth/Equity	108 084	123 876	132 396	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	13 088	22 827	16 047	29 970	13 197	-	-	98 907	97 402	67 884
Net cash from (used) investing	(16 903)	(12 656)	(19 506)	(28 614)	(17 733)	-	-	(19 030)	-	-
Net cash from (used) financing	1 976	(1 660)	(548)	256	(1 504)	-	-	-	-	-
Cash/cash equivalents at the year end	4 269	12 780	8 773	9 984	2 733	-	-	82 610	180 013	247 897
Cash backing/surplus reconciliation										
Cash and investments available	4 269	12 780	8 773	16 164	23 059	-	-	9 173	9 250	9 196
Application of cash and investments	3 165	9 751	3 002	(76 150)	(3 203)	-	-	7 525	7 544	7 554
Balance - surplus (shortfall)	1 104	3 029	5 771	92 314	26 262	-	-	1 647	1 705	1 641
Asset management										
Asset register summary (WDV)	109 043	38 878	58 004	-	-	-	-	-	-	-
Depreciation & asset impairment	5 666	9 609	15 498	8 400	11 301	11 301	11 979	11 979	12 698	13 460
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	5 713	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	96	96	96	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	7	7	6	7	7	7	6	6	6	6
Sanitation/sewerage:	2	2	2	2	2	2	2	2	2	2
Energy:	10	10	9	9	9	9	9	9	9	9
Refuse:	-	-	16	-	-	-	16	16	16	16

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 1. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF due to depreciation which is a non cash item.
 2. Capital expenditure is balanced by capital funding sources, of which
 1. Transfers recognised is reflected on the Financial Performance Budget;
 2. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 3. Internally generated funds is financed from a combination of the current operating surplus, accumulated cash-backed surpluses from previous years and VAT refund. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor.

Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN211 Vulamehlo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		37 493	42 081	47 689	45 981	46 779	-	55 985	59 344	62 904
Executive and council		179	6 665	6 684	15 717	15 289	-	16 932	17 948	19 025
Budget and treasury office		37 314	35 416	41 005	9 257	9 586	-	14 008	14 848	15 739
Corporate services		-	-	-	21 007	21 904	-	25 045	26 547	28 140
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 056	16 855	3 809	35 433	45 907	-	23 949	25 386	26 909
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		13 056	16 855	3 809	35 433	45 907	-	23 949	25 386	26 909
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	50 549	58 937	51 498	81 414	92 686	-	79 934	84 730	89 814
Expenditure - Standard										
<i>Governance and administration</i>		31 501	43 890	47 114	54 647	58 454	-	68 512	72 623	76 980
Executive and council		5 280	6 665	6 684	15 717	15 299	-	18 076	19 161	20 311
Budget and treasury office		26 222	37 225	40 430	17 923	21 151	-	25 941	27 498	29 148
Corporate services		-	-	-	21 007	22 004	-	24 495	25 964	27 522
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 175	11 166	3 809	35 433	45 907	-	26 152	27 721	29 384
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9 175	11 166	3 809	35 433	45 907	-	26 152	27 721	29 384
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	40 676	55 056	50 923	90 080	104 361	-	94 664	100 344	106 365
Surplus/(Deficit) for the year		9 873	3 880	575	(8 666)	(11 675)	-	(14 730)	(15 614)	(16 551)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas, Vulamehlo Municipality having 5 Functional areas namely Municipal Manager Office, Finance Department, Corporate Services, Technical Services and Council. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN211 Vulamehlo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - COUNCIL		179	6 665	6 684	8 347	6 952	-	9 637	10 216	10 828
Vote 2 - MUNICIPAL MANAGER		-	-	-	7 370	8 347	-	7 295	7 732	8 196
Vote 3 - BUDGET AND TREASURY OFFICE		37 314	35 416	41 005	17 923	9 586	-	14 008	14 848	15 739
Vote 4 - CORPORATE SERVICES		-	-	-	21 007	21 904	-	25 045	26 547	28 140
Vote 5 - TECHNICAL SERVICES		13 056	16 855	3 809	35 433	45 907	-	23 949	25 386	26 909
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	50 549	58 937	51 498	90 080	92 696	-	79 934	84 730	89 814
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL		5 280	6 665	6 684	-	8 347	-	9 637	10 216	10 828
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	6 952	-	8 439	8 945	9 482
Vote 3 - BUDGET AND TREASURY OFFICE		26 222	37 225	40 430	-	21 153	-	25 941	27 498	29 148
Vote 4 - CORPORATE SERVICES		-	-	-	-	22 004	-	24 495	25 964	27 522
Vote 5 - TECHNICAL SERVICES		9 175	11 166	3 809	-	45 907	-	23 949	25 386	26 909
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	40 676	55 056	50 923	-	104 363	-	92 461	98 009	103 890
Surplus/(Deficit) for the year	2	9 873	3 880	575	90 080	(11 667)	-	(12 527)	(13 279)	(14 076)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table4 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN211 Vulamehlo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	1 487	1 824	2 237	2 235	2 235	-	-	2 320	2 462	2 613
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		189	197	260	297	297			297	220	188
Interest earned - external investments		221	482	856	650	650			700	750	750
Interest earned - outstanding debtors											
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		32 781	44 556	45 055	57 391	60 107			76 532	74 661	75 901
Other revenue	2	130	309	136	3 108	12 205	-	-	85	85	85
Gains on disposal of PPE			122								
Total Revenue (excluding capital transfers and contributions)		34 809	47 490	48 543	63 681	75 494	-	-	79 934	78 178	79 537
Expenditure By Type											
Employee related costs	2	10 958	13 406	15 355	18 332	18 332	18 332	-	20 017	21 248	22 491
Remuneration of councillors		5 154	6 665	6 684	6 002	6 002			7 104	7 541	7 982
Debt impairment	3	244	1 305	62	2 000	2 000			2 416	2 561	2 714
Depreciation & asset impairment	2	5 666	9 609	15 498	8 400	11 301	11 301	-	11 979	12 698	13 460
Finance charges		411	330	299	335	1 135			144	152	161
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		259	273	295	2 441	7 611	-	-	3 869	4 101	4 347
Transfers and grants		3 548	6 379	7 995	-	-	-	-	14 722	-	-
Other expenditure	4, 5	14 450	17 089	15 612	29 837	34 924	-	-	34 414	36 479	38 668
Loss on disposal of PPE				22							
Total Expenditure		40 689	55 056	61 822	67 347	81 305	29 633	-	94 664	84 779	89 823
Surplus/(Deficit)		(5 880)	(7 566)	(13 279)	(3 666)	(5 812)	(29 633)	-	(14 730)	(6 601)	(10 286)
Transfers recognised - capital		15 741	11 568	21 799	17 999	17 999			46 560	49 145	20 022
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Taxation											
Surplus/(Deficit) after taxation		9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is increasing
2. Revenue to be generated from property rates is R2.2million in the 2015/6 financial year which represents only 3 per cent of the operating revenue base of the Municipality and therefore remains an insignificant funding source for the municipality.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. Government grants are the main sources of the municipality's revenue since it totals to 95% which makes our municipality grants dependent.

Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN211 Vulamehlo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated	2										
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - COUNCIL		-	-	-	-	20	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	25	-	-	127	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	43	-	-	44	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	550	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	23 401	-	-	18 310	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	23 489	-	-	19 030	-	-
Total Capital Expenditure - Vote		-	-	-	-	23 489	-	-	19 030	-	-
Capital Expenditure - Standard											
Governance and administration		665	319	287	-	88	-	-	720	-	-
Executive and council		614	-	-	-	45	-	-	127	-	-
Budget and treasury office		14	319	287	-	43	-	-	44	-	-
Corporate services		38	-	-	-	-	-	-	550	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		12 569	12 165	19 239	-	23 401	-	-	18 310	-	-
Planning and development		12 569	12 165	19 239	-	23 401	-	-	18 310	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	13 234	12 483	19 526	-	23 489	-	-	19 030	-	-
Funded by:											
National Government		13 234	12 483	19 526	-	17 999	-	-	18 060	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	13 234	12 483	19 526	-	17 999	-	-	18 060	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	5 490	-	-	970	-	-
Total Capital Funding	7	13 234	12 483	19 526	-	23 489	-	-	19 030	-	-

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations there is no budget allocated since the municipality does not have multi-year capital projects.
3. Single-year capital expenditure has been appropriated at R17, 733million for the 2014/2015 financial year and increases over the MTREF at levels of R46 560 million in 2015/2016 and has increased to R49 145 million in 2016/2017 which includes disaster capital projects.
4. The single-year appropriations relate to expenditure that will be incurred in the specific budget year such as construction of access roads, crèche, community halls, and sports grounds, procurement of vehicles, plant and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and national grants and transfers.

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - 3.1 Call investments deposits;
 - 3.2 Consumer debtors;
 - 3.3 Property, plant and equipment;
 - 3.4 Trade and other payables;
 - 3.5 Provisions non-current;
 - 3.6 Changes in net assets; and
 - 3.7 Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 7 - MBRR Table A7 - Budgeted Cash Flow Statement

KZN211 Vulamehlo - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		634	1 056	1 110	7 918	1 676			1 253	1 330	1 411
Service charges		-	-	-	42 676	-			-	-	-
Other revenue		320	506	396	23 614	9 097			382	305	273
Government - operating	1	32 155	51 731	37 727	300	60 107			76 532	74 661	75 901
Government - capital	1	15 741	11 568	21 799		17 999			46 560	49 145	20 022
Interest		221	482	856		650			700	750	750
Dividends		-	-	-					-	-	-
Payments											
Suppliers and employees		(35 572)	(42 185)	(45 542)	(44 179)	(75 196)			(26 520)	(28 788)	(30 473)
Finance charges		(411)	(330)	(299)	(360)	(1 135)			-	-	-
Transfers and Grants	1	-	-	-					-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 088	22 827	16 047	29 970	13 197	-	-	98 907	97 402	67 884
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	808	33	-				-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-				-	-	-
Decrease (increase) other non-current receivables		94	387	-	1 000				-	-	-
Decrease (increase) in non-current investments		-	-	-	(6 000)				-	-	-
Payments											
Capital assets		(16 997)	(13 852)	(19 539)	(23 614)	(17 733)			(19 030)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 903)	(12 656)	(19 506)	(28 614)	(17 733)	-	-	(19 030)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	(744)				-	-	-
Borrowing long term/refinancing		-	-	-	1 000				-	-	-
Increase (decrease) in consumer deposits		-	-	-	-				-	-	-
Payments											
Repayment of borrowing		1 976	(1 660)	(548)		(1 504)			-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 976	(1 660)	(548)	256	(1 504)	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(1 838)	8 511	(4 007)	1 611	(6 040)	-	-	79 877	97 402	67 884
Cash/cash equivalents at the year begin:	2	6 107	4 269	12 780	8 373	8 773			2 733	82 610	180 013
Cash/cash equivalents at the year end:	2	4 269	12 780	8 773	9 984	2 733			82 610	180 013	247 897

Table 8 - MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN211 Vulamehlo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	4 269	12 780	8 773	9 984	2 733	-	-	82 610	180 013	247 897
Other current investments > 90 days		-	-	-	6 180	20 325	-	-	(73 438)	(170 763)	(238 701)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		4 269	12 780	8 773	16 164	23 059	-	-	9 173	9 250	9 196
Application of cash and investments											
Unspent conditional transfers		2 981	10 156	3 113	1 000	1 000	-	-	3 160	3 160	3 160
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(938)	(405)	(111)	(77 150)	(4 203)	-	-	4 365	4 384	4 394
Other provisions		1 121	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		3 165	9 751	3 002	(76 150)	(3 203)	-	-	7 525	7 544	7 554
Surplus(shortfall)		1 104	3 029	5 771	92 314	26 262	-	-	1 647	1 705	1 641

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. The cash and investments available exceed the applications, the municipality budget has been “funded”.

Table 9 MBRR Table A9 - Asset Management

KZN211 Vulamehlo - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	13 224	-	-	-	23 489	-	19 030	-	-
Infrastructure - Road transport		771	-	-	-	8 945	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		771	-	-	-	8 945	-	-	-	-
Community		9 614	-	-	-	13 755	-	18 060	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2 838	-	-	-	788	-	970	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	771	-	-	-	8 945	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		771	-	-	-	8 945	-	-	-	-
Community		9 614	-	-	-	13 755	-	18 060	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2 838	-	-	-	788	-	970	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	13 224	-	-	-	23 489	-	19 030	-	-

Table 9 MBRR Table A9 - Asset Management (continued)

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		26 553	38 718	57 957						
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		26 553	38 718	57 957	-	-	-	-	-	-
Community		74 565								
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		7 147								
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		779	160	47	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	109 043	38 878	58 004	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		5 666	9 609	15 498	8 400	11 301	11 301	11 979	12 698	13 460
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	-	5 713	-	-	-	-
Infrastructure - Road transport		-	-	-	-	4 120	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	4 120	-	-	-	-
Community		-	-	-	-	1 062	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	531	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		5 666	9 609	15 498	8 400	17 014	11 301	11 979	12 698	13 460

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality, it does not meet the recommendation.

Table 10 MBRR Table A10 - Basic Service Delivery Measurement

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy and refuse removal.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied by Eskom.
4. Currently there is no refuse removal in the municipality.

Part 2 – Supporting Documentation

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

1. that the process followed to compile the budget complies with legislation and good budget practices;
2. that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
3. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
4. that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on August 2015. Key dates applicable to the process were:

1. **July 2014** – Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review;
2. **August 2014** – Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
3. **September 2014** – Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
4. **October 2014** – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

5. **November 2014** – Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval
6. **December 2014** – Submit budget instructions and 2014/15 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);
7. **January 2015** - Council considers the 2014/15 Mid-year Review and Adjustments Budget;
8. **February 2015** – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;
9. **March 2015**- Tabling in Council of the draft 2015/16 IDP and 2015/16 MTREF for public consultation;
10. **April 2015**– Public consultation;
11. **May 2015** – finalisation of the 2015/16 IDP and 2015/16 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2015/16 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

1. Registration of community needs;
2. Compilation of departmental business plans including key performance indicators and targets;
3. Financial planning and budgeting process;
4. Public participation process;
5. Compilation of the SDBIP, and
6. The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/20145 MTREF, based on the approved 2012/2013 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

1. Municipality growth
2. Policy priorities and strategic objectives
3. Asset maintenance
4. Economic climate and trends (i.e inflation)
5. Performance trends
6. The approved 2015/16 adjustments budget and performance against the SDBIP
7. Cash Flow Management Strategy
8. Debtor payment levels
9. Investment possibilities
10. The need for tariff increases versus the ability of the community to pay for services;
11. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 and 72 has been taken into consideration in the planning and prioritisation process.

Community Consultation

Is to be conducted in April 2015, izimbizo are schedules to take place in all wards, as well as the draft budget is to advertised on the website and newspapers.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

1. Green Paper on National Strategic Planning of 2009;
2. Government Programme of Action;
3. Development Facilitation Act of 1995;
4. Provincial Growth and Development Strategy (GGDS);
5. National and Provincial spatial development perspectives;
6. Relevant sector plans such as transportation, legislation and policy;
7. National Key Performance Indicators (NKPIs);
8. Accelerated and Shared Growth Initiative (ASGISA);
9. National 2014 Vision;
10. National Spatial Development Perspective (NSDP) and
11. The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 11 IDP Strategic Objectives

2015/16 Financial Year	
1.	Financial Viability
2.	Basic Service delivery and infrastructure
3.	Good governance and public participation
4.	Local economic Development
5.	Municipal transformation and institutional development

6. Spatial analysis and environmental management
--

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 12 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN211 Vulamehlo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Institutional Transformation and Organisational Development												
Basic Service delivery and Infrastructure Development				13 056	16 855	3 809	35 433				26 152	
Local economic Development							7 370				8 439	
Financial Viability and Management				37 314	35 416	41 005	9 523				25 941	
Good Governance and Public Participation							21 007				24 495	
Municipal transformation and Institutional development				179	6 665	6 684	8 347				9 637	
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	50 549	58 937	51 498	81 680	-	-		94 664	-

Table 13 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN211 Vulamehlo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Institutional Transformation and Organisational Development													
Basic Service delivery and Infrastructure Development				9 175	11 166	3 809				23 949	25 386	26 909	
Local economic Development										8 439	8 945	9 482	
Financial Viability and Management				26 222	37 225	40 430				25 941	27 498	29 148	
Good Governance and Public Participation										24 495	25 964	27 522	
Municipal transformation and Institutional development				5 280	6 665	6 684				9 637	10 216	10 828	
Allocations to other priorities													
Total Expenditure				1	40 676	55 056	50 923	-	-	-	92 461	98 009	103 890

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

1. Planning (setting goals, objectives, targets and benchmarks);
2. Monitoring (regular monitoring and checking on the progress against plan);
3. Measurement (indicators of success);
4. Review (identifying areas requiring change and improvement);
5. Reporting (what information, to whom, from whom, how often and for what purpose); and
6. Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

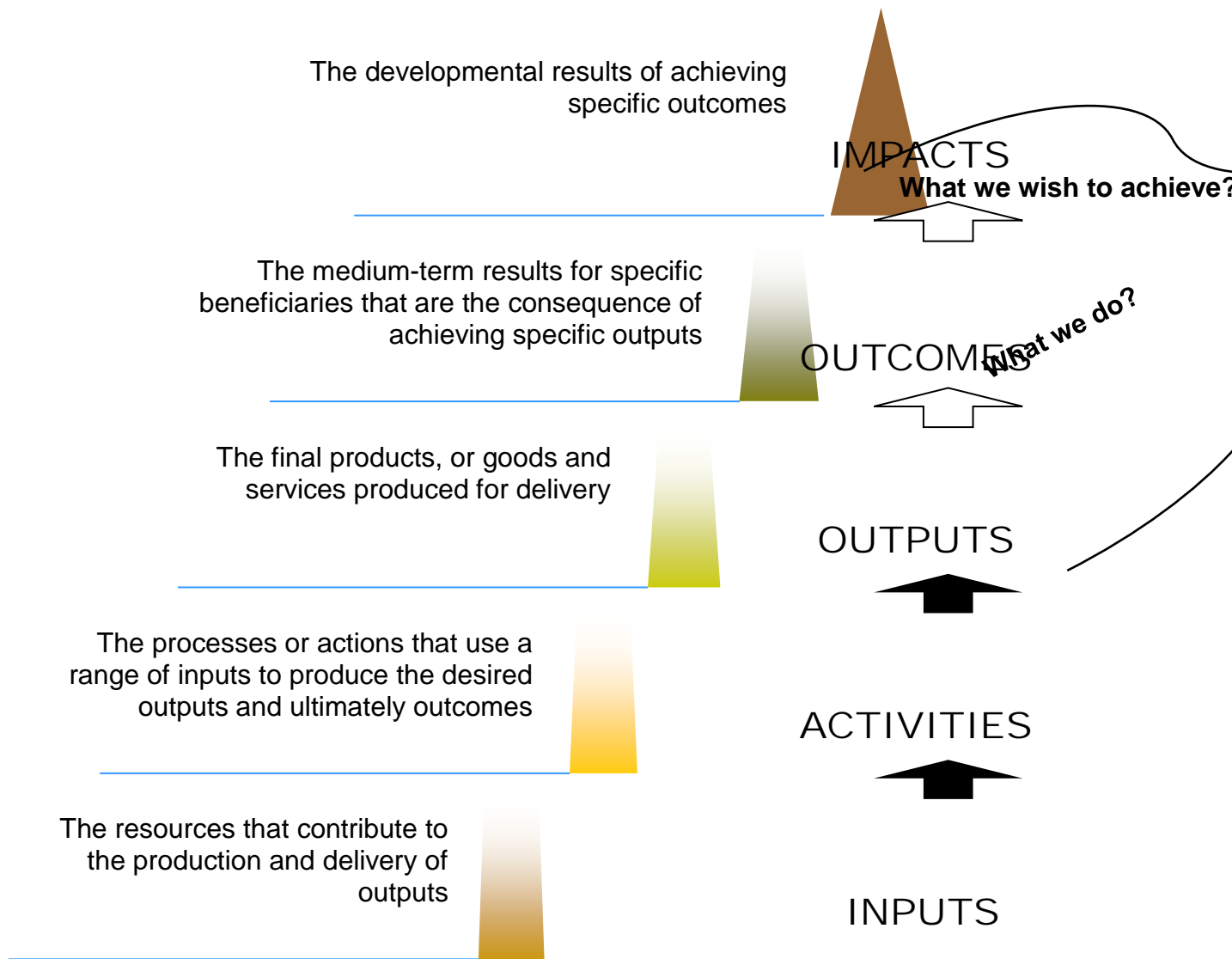


Figure 1 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 15 MBRR Table SA7 - Measurable performance objectives

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

Table 16 MBRR Table SA8 - Performance indicators and benchmarks

KZN211 Vulamehlo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-3.8%	3.6%	1.4%	0.5%	3.2%	0.0%	0.0%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-77.2%	67.8%	24.3%	5.3%	17.2%	0.0%	0.0%	4.2%	4.3%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex.c.l. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	398.0%	368.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.1	1.2	1.7	5.4	7.5	-	-	1.2	1.2	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	1.2	1.7	5.4	7.5	-	-	1.2	1.2	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.8	0.8	3.9	5.6	-	-	1.0	1.0	1.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		49.0%	79.1%	49.6%	2308.9%	75.0%	0.0%	0.0%	54.0%	54.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		42.6%	57.9%	49.6%	2264.1%	75.0%	0.0%	0.0%	54.0%	54.0%	54.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	9.2%	14.7%	18.8%	9.4%	10.6%	0.0%	0.0%	1.7%	1.7%	1.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		17.5%	33.4%	58.2%	16.3%	59.7%	0.0%	0.0%	6.3%	2.9%	2.1%
Other Indicators											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.5%	28.2%	31.6%	28.8%	24.3%	0.0%	0.0%	25.0%	27.2%	28.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	47.9%	38.4%	19.3%	38.2%	32.2%	0.0%		33.6%	36.3%	37.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	7.6%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17.5%	20.9%	32.5%	13.7%	16.5%	0.0%	0.0%	15.2%	16.4%	17.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.9	2.1	-	2.9	2.9	2.9	-	4.5	4.7	4.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	164.4%	336.8%	358.5%	236.5%	315.3%	0.0%	0.0%	51.6%	50.4%	48.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	4.6	2.9	2.9	0.7	-	-	16.0	43.0	56.0

Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Credit control and debt collection procedures/policies

The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 54 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.

Asset Management policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in April 2014.

Review of Budget Policy

The Budget Policy is currently under review and will be tabled together with the budget on 30 May 2015. The Budget Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service

delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

Overview of budget assumptions

External factors

Domestically, a majority of our community is unemployed, which 66 per cent of the population. With economic development we will expect a small growth of employed people of about 2.1% within the 2014/15 financial year.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

1. National Government macro economic targets;
2. The general inflationary outlook and the impact on Municipality's residents and businesses;
3. The impact of municipal cost drivers;
4. The increase in the cost of remuneration.

Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (54 per cent) of annual billings. Cash flow is assumed to be 54 per cent of billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Salary increases

The Salary and Wages Collective Agreement for the period 1 July 2012 to 30 June 2015 has ended. The South African Local Government Association issued a press release on 03 March 2015 indicating that in table the following offer for salaries and wages increase:

- 2015/16 Financial Year- 4.4 per cent (Inflation link)
- 2016/17 and 2017/18 Financial Years- inflation related increase plus additional 0.25 per cent

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

1. Creating jobs;
2. Infrastructure development;
3. Enhancing education and skill development;
4. Improving Health services;
5. Rural development and agriculture; and
6. Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Overview of budget funding

Medium Term revenue

Vulamehlo Municipality mainly depends on government grants and subsidies.

Investment revenue contributes 1 per cent to the revenue base of the municipality with a budget allocation of R650 000, R700 000 and R750 000 for the respective three financial years of the 2014/15 MTREF. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide d investment information and investment particulars by maturity.

Table 17 MBRR SA15 – Detail Investment Information

KZN211 Vulamehlo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent in municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

KZN211 Vulamehlo - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Gains Tax (Prof. Tax)	Variable or Fixed Interest rate	Interest Rate %	Commission Paid (Rands)	Commission Received	Expiry date of investment	Opening balance	Interest to be received	Period / Periods Withdrawn (R)	Investment Top Up	Closing Balance
Parent in municipality														
Standard Bank 32 Days	1	32 Days	no	No	5.00%	0	0			3 000	186	-	-	3 186
Entities sub-total										3 000		-	-	3 186
Entities														
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST	1									3 000		-	-	3 186

Table 18 MBRR SA16 – Investment particulars by maturity

Medium-term outlook: capital revenue

The Municipality's capital budget is funded by the Municipal Infrastructure Grant and the surplus for Equitable share.

The Municipal Infrastructure Grant for the MTERF is R17.9million, R18.7 million and R19.3 million for respective years.

Table19 MBRR Table SA 18 - Capital transfers and grant receipts

KZN211 Vulamehlo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		33 063	42 666	-	57 391	59 058	59 058	76 532	74 661	75 901
Local Government Equitable Share		28 773	35 481		48 657	48 657	48 657	62 870	63 294	61 523
Finance Management		1 500	1 384		1 800	1 800	1 800	1 875	2 010	2 345
Municipal Systems Improvement		790	801		934	934	934	930	957	1 033
Integrated National Electrification Programme		2 000	5 000		5 000	6 667	6 667	8 000	8 400	11 000
EPWP Incentive					1 000	1 000	1 000	1 000		
Democration Transition Grant								1 857	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Disaster Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	33 063	42 666	-	57 391	59 058	59 058	76 532	74 661	75 901
Capital Transfers and Grants										
National Government:		-	-	-	17 999	19 048	19 048	38 560	49 145	20 022
Municipal Infrastructure Grant (MIG)					17 999	17 999	17 999	18 560	19 145	20 022
Disaster Recovery Grant						1 049	1 049	20 000	30 000	-
Provincial Government:		-	-	-	-	-	-	8 000	-	-
Missification programme Grant								8 000	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	-	-	-	17 999	19 048	19 048	46 560	49 145	20 022
TOTAL RECEIPTS OF TRANSFERS & GRANTS		33 063	42 666	-	75 390	78 106	78 106	123 092	123 806	95 923

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

1. Clear separation of receipts and payments within each cash flow category;

2. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
3. Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table20 MBRR Table A7 - Budget cash flow statement

KZN211 Vulamehlo - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		634	1 056	1 110	7 918	1 676			1 253	1 330	1 411
Service charges		-	-	-	42 676	-			-	-	-
Other revenue		320	506	396	23 614	9 097			382	305	273
Government - operating	1	32 155	51 731	37 727	300	60 107			76 532	74 661	75 901
Government - capital	1	15 741	11 568	21 799		17 999			46 560	49 145	20 022
Interest		221	482	856		650			700	750	750
Dividends		-	-	-					-	-	-
Payments											
Suppliers and employees		(35 572)	(42 185)	(45 542)	(44 179)	(75 196)			(26 520)	(28 788)	(30 473)
Finance charges		(411)	(330)	(299)	(360)	(1 135)			-	-	-
Transfers and Grants	1	-	-	-					-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 088	22 827	16 047	29 970	13 197	-	-	98 907	97 402	67 884
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	808	33	-				-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-				-	-	-
Decrease (increase) other non-current receivables		94	387	-	1 000				-	-	-
Decrease (increase) in non-current investments		-	-	-	(6 000)				-	-	-
Payments											
Capital assets		(16 997)	(13 852)	(19 539)	(23 614)	(17 733)			(19 030)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 903)	(12 656)	(19 506)	(28 614)	(17 733)	-	-	(19 030)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	(744)				-	-	-
Borrowing long term/refinancing		-	-	-	1 000				-	-	-
Increase (decrease) in consumer deposits		-	-	-					-	-	-
Payments											
Repayment of borrowing		1 976	(1 660)	(548)		(1 504)			-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 976	(1 660)	(548)	256	(1 504)	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(1 838)	8 511	(4 007)	1 611	(6 040)	-	-	79 877	97 402	67 884
Cash/cash equivalents at the year begin:	2	6 107	4 269	12 780	8 373	8 773			2 733	82 610	180 013
Cash/cash equivalents at the year end:	2	4 269	12 780	8 773	9 984	2 733			82 610	180 013	247 897

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

1. What are the predicted cash and investments that are available at the end of the budget year?

2. How are those funds used?
3. What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN211 Vulamehlo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	4 269	12 780	8 773	9 984	2 733	-	-	82 610	180 013	247 897
Other current investments > 90 days		-	-	-	6 180	20 325	-	-	(73 438)	(170 763)	(238 701)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		4 269	12 780	8 773	16 164	23 059	-	-	9 173	9 250	9 196
Application of cash and investments											
Unspent conditional transfers		2 981	10 156	3 113	1 000	1 000	-	-	3 160	3 160	3 160
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(938)	(405)	(111)	(77 150)	(4 203)	-	-	4 365	4 384	4 394
Other provisions		1 121	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		3 165	9 751	3 002	(76 150)	(3 203)	-	-	7 525	7 544	7 554
Surplus(shortfall)		1 104	3 029	5 771	92 314	26 262	-	-	1 647	1 705	1 641

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to

which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 22 MBRR SA10 – Funding compliance measurement

KZN211 Vulamehlo Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	4 269	12 780	8 773	9 984	2 733	-	-	82 610	180 013	247 897
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 104	3 029	5 771	92 314	26 262	-	-	1 647	1 705	1 641
Cash year end/monthly employee/supplier payments	18(1)b	3	1.8	4.6	2.9	2.9	0.7	-	-	16.0	43.0	56.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	16.7%	16.6%	(6.1%)	(6.0%)	(106.0%)	(6.0%)	(2.2%)	0.1%	0.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	52.8%	67.0%	57.2%	1315.8%	73.1%	0.0%	0.0%	60.5%	59.1%	58.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	16.4%	71.5%	2.8%	89.5%	89.5%	0.0%	0.0%	104.1%	104.0%	103.9%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	0.0%	0.0%	0.0%	75.5%	0.0%	0.0%	100.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	147.0%	31.5%	(33.1%)	33.3%	(100.0%)	0.0%	(83.1%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(61.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	6.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

KZN211 Vulamehlo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		33 063	42 666	-	57 391	59 058	59 058	76 532	74 661	75 901
Local Government Equitable Share		28 773	35 481		48 657	48 657	48 657	62 870	63 294	61 523
Finance Management		1 500	1 384		1 800	1 800	1 800	1 875	2 010	2 345
Municipal Systems Improvement		790	801		934	934	934	930	957	1 033
Integrated National Electrification Programme		2 000	5 000		5 000	6 667	6 667	8 000	8 400	11 000
EPWP Incentive					1 000	1 000	1 000	1 000		
Democration Transition Grant								1 857	-	-
Provincial Government:		-	-	-	-	1 049	1 049	-	-	-
Disaster Grant						1 049	1 049			
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		33 063	42 666	-	57 391	60 107	60 107	76 532	74 661	75 901
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	17 999	17 999	17 999	38 560	49 145	20 022
Municipal Infrastructure Grant (MIG)					17 999	17 999	17 999	18 560	19 145	20 022
Disaster Recovery Grant								20 000	30 000	-
Provincial Government:		-	-	-	-	-	-	8 000	-	-
Missification programme Grant								8 000		
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	17 999	17 999	17 999	46 560	49 145	20 022
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		33 063	42 666	-	75 390	78 106	78 106	123 092	123 806	95 923

Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN211 Vulamehlo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Councillor and employee benefits

Table 25 MBRR SA22 - Summary of councillor and staff benefits

Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN211 Vulamehlo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	365 570	243 714	24 468			633 752
Chief Whip		1	175 930	117 287	24 468			317 685
Executive Mayor		1	456 963	304 642	24 468			786 073
Deputy Executive Mayor		1	365 570	243 714	24 468			633 752
Executive Committee		2	685 446	456 964	48 936			1 191 346
Total for all other councillors		14	1 919 239	1 279 493	342 552			3 541 284
Total Councillors	8	20	3 968 719	2 645 814	489 360			7 103 893
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	981 975	213 621				1 195 596
Chief Finance Officer		1	843 702		19 785			863 487
Technical Director		1	843 702		18 000			861 702
General Manager: Corporate Services		1	796 829	9 753				806 582
								-
								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	4	3 466 208	223 374	37 785	-		3 727 367
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	24	7 434 927	2 869 188	527 145	-		10 831 260

Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN211 Vulamehlo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		193	193	193	193	193	193	193	193	193	193	193	193	2 320	2 462	2 613
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		25	25	25	25	25	25	25	25	25	25	25	25	297	220	188
Interest earned - external investments		58	58	58	58	58	58	58	58	58	58	58	58	700	750	750
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		6 378	6 378	6 378	6 378	6 378	6 378	6 378	6 378	6 378	6 378	6 378	6 378	76 532	74 661	75 901
Other revenue		7	7	7	7	7	7	7	7	7	7	7	7	85	85	85
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	79 934	78 178	79 537
Expenditure By Type																
Employee related costs		-	-	-	-	-	-	-	-	-	-	-	20 017	20 017	21 248	22 491
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	7 104	7 104	7 541	7 982
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	2 416	2 416	2 561	2 714
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	11 979	11 979	12 698	13 460
Finance charges		-	-	-	-	-	-	-	-	-	-	-	144	144	152	161
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	3 869	3 869	4 101	4 347
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	14 722	14 722	-	-
Other expenditure		-	-	-	-	-	-	-	-	-	-	-	34 414	34 414	36 479	38 668
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-	-	-	94 664	94 664	84 779	89 823
Surplus/(Deficit)		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	(88 003)	(14 730)	(6 601)	(10 286)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	46 560	46 560	49 145	20 022
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	(41 443)	31 830	42 544	9 736
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	(41 443)	31 830	42 544	9 736

[Type text]

Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN211 Vulamehlo - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - COUNCIL		803	803	803	803	803	803	803	803	803	803	803	803	9 637	10 216	10 828
Vote 2 - MUNICIPAL MANAGER		608	608	608	608	608	608	608	608	608	608	608	608	7 295	7 732	8 196
Vote 3 - BUDGET AND TREASURY OFFICE		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 008	14 848	15 739
Vote 4 - CORPORATE SERVICES		2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	25 045	26 547	28 140
Vote 5 - TECHNICAL SERVICES		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	23 949	25 386	26 909
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	79 934	84 730	89 814
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL		803	803	803	803	803	803	803	803	803	803	803	803	9 637	10 216	10 828
Vote 2 - MUNICIPAL MANAGER		703	703	703	703	703	703	703	703	703	703	703	703	8 439	8 945	9 482
Vote 3 - BUDGET AND TREASURY OFFICE		2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	25 941	27 498	29 148
Vote 4 - CORPORATE SERVICES		2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	24 495	25 964	27 522
Vote 5 - TECHNICAL SERVICES		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	23 949	25 386	26 909
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	92 461	98 009	103 890
Surplus/(Deficit) before assoc.		(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(12 527)	(13 279)	(14 076)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(12 527)	(13 279)	(14 076)

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN211 Vulamehlo - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		4 665	4 665	4 665	4 665	4 665	4 665	4 665	4 665	4 665	4 665	4 665	4 665	55 985	59 344	62 904
Executive and council		1 411	1 411	1 411	1 411	1 411	1 411	1 411	1 411	1 411	1 411	1 411	1 411	16 932	17 948	19 025
Budget and treasury office		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 008	14 848	15 739
Corporate services		2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	25 045	26 547	28 140
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	23 949	25 386	26 909
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	23 949	25 386	26 909
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	6 661	79 934	84 730	89 814
Expenditure - Standard																
<i>Governance and administration</i>		5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	68 512	72 623	76 980
Executive and council		1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	1 506	18 076	19 161	20 311
Budget and treasury office		2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	2 162	25 941	27 498	29 148
Corporate services		2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	2 041	24 495	25 964	27 522
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	4 199	26 152	27 721	29 384
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	1 996	4 199	26 152	27 721	29 384
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Idly detent - Standard		7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	7 705	9 908	94 664	100 344	Page 61
Surplus/(Deficit) before assoc.		(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(3 247)	(14 730)	(15 614)	(16 551)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(1 044)	(3 247)	(14 730)	(15 614)	(16 551)

Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN211 Vulamehlo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated	1															
Vote 1 - COUNCIL																
Vote 2 - MUNICIPAL MANAGER																
Vote 3 - BUDGET AND TREASURY OFFICE																
Vote 4 - CORPORATE SERVICES																
Vote 5 - TECHNICAL SERVICES																
Vote 6 - [NAME OF VOTE 6]																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - COUNCIL																
Vote 2 - MUNICIPAL MANAGER			127											127		
Vote 3 - BUDGET AND TREASURY OFFICE					44									44		
Vote 4 - CORPORATE SERVICES		50		100		150	200		50					550		
Vote 5 - TECHNICAL SERVICES			1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	18 310		
Vote 6 - [NAME OF VOTE 6]																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital single-year expenditure sub-total	2	50	1 791	1 765	1 708	1 815	1 865	1 665	1 715	1 665	1 665	1 665	1 665	19 030		
Total Capital Expenditure	2	50	1 791	1 765	1 708	1 815	1 865	1 665	1 715	1 665	1 665	1 665	1 665	19 030		

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN211 Vulamehlo - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		200	44	177	-	200	-	-	-	-	-	-	100	720	-	-
Executive and council				127									-	127	-	-
Budget and treasury office			44										-	44	-	-
Corporate services		200		50		200							100	550	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	18 310	-	-
Planning and development			1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	1 665	18 310	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Standard	2	200	1 708	1 841	1 665	1 865	1 665	1 665	1 665	1 665	1 665	1 665	1 765	19 030	-	-
Funded by:																
National Government		6 020				6 020				6 020			-	18 060	-	-
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		6 020	-	-	-	6 020	-	-	-	6 020	-	-	-	18 060	-	-
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		970											-	970	-	-
Total Capital Funding		6 990	-	-	-	6 020	-	-	-	6 020	-	-	-	19 030	-	-

Table 33 MBRR SA30 - Budgeted monthly cash flow

KZN211 Vulamehlo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17
Cash Receipts By Source													1		
Property rates	104	104	104	104	104	104	104	104	104	104	104	105	1 253	1 330	1 411
Property rates - penalties & collection charges													-		
Service charges - electricity revenue													-		
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue													-		
Service charges - other													-		
Rental of facilities and equipment	25	25	25	25	25	25	25	25	25	25	25	25	297	220	188
Interest earned - external investments	58	58	58	58	58	58	58	58	58	58	58	58	700	750	750
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines													-		
Licences and permits													-		
Agency services													-		
Transfer receipts - operational												76 532	76 532	74 661	75 901
Other revenue												85	85	85	85
Cash Receipts by Source	187	187	187	187	187	187	187	187	187	187	187	76 805	78 867	77 046	78 335
Other Cash Flows by Source															
Transfer receipts - capital												46 560	46 560	49 145	20 022
Contributions recognised - capital & Contributed assets													-		
Proceeds on disposal of PPE													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (Increase) in non-current debtors													-		
Decrease (increase) other non-current receivables													-		
Decrease (increase) in non-current investments													-		
Total Cash Receipts by Source	187	187	187	187	187	187	187	187	187	187	187	123 365	125 427	126 191	98 357
Cash Payments by Type															
Employee related costs	1 494	2 987	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	19 416	21 248	22 491
Remuneration of councillors	546	1 093	546	546	546	546	546	546	546	546	546	546	7 104	7 541	7 982
Finance charges													-		
Bulk purchases - Electricity													-		
Bulk purchases - Water & Sewer													-		
Other materials													-		
Contracted services													-		
Transfers and grants - other municipalities													-		
Transfers and grants - other													-		
Other expenditure													-		
Cash Payments by Type	2 040	4 080	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	26 520	28 788	30 473
Other Cash Flows/Payments by Type															
Capital assets												19 030	19 030		
Repayment of borrowing													-		
Other Cash Flows/Payments															

Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets. The capital budget does not cater for renewal of assets (which relates to 40% the capital budget must be for renewal of assets) as the municipal is still constructing infrastructure, but existing assets are maintained to be operational.

Table 34 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN211 Vulamehlo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		771	-	-	-	8 945	-	-	-	-
Infrastructure - Road transport		771	-	-	-	8 945	-	-	-	-
Roads, Pavements & Bridges		771				8 945				
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
Community		9 614	-	-	-	13 755	-	18 060	-	-
Parks & gardens						-				
Sportsfields & stadia						5 493		5 000		
Swimming pools						-				
Community halls		9 614				4 461		3 340		
Libraries						-				
Recreational facilities						-		7 020		
Fire, safety & emergency						-				
Security and policing						-				
Buses						-				
Clinics						-				
Museums & Art Galleries						-				
Cemeteries						-				
Social rental housing						-				
Other						3 801		2 700		
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 838	-	-	-	788	-	970	-	-
General vehicles		580				400				
Specialised vehicles		-				-				
Plant & equipment		2 141								
Computers - hardware/equipment		74				48		122		
Furniture and other office equipment		44				20		96		
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other						320		753		
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	13 224	-	-	-	23 489	-	19 030	-	-

Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN211 Vulamehlo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	4 120	-	-	-	-
Infrastructure - Road transport		-	-	-	-	4 120	-	-	-	-
<i>Roads, Pavements & Bridges</i>						4 120				
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3									
Community		-	-	-	-	1 062	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls						1 062				
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	531	-	-	-	-
General vehicles						50				
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment						30				
Furniture and other office equipment						205				
Abattoirs						-				
Markets						-				
Civic Land and Buildings						-				
Other Buildings						150				
Other Land						-				
Surplus Assets - (Investment or Inventory)						-				
Other						95				
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	-	-	-	-	5 713	-	-	-	-

Table 37 MBRR SA35 - Future financial implications of the capital budget

KZN211 Vulamehlo - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
R thousand								
Capital expenditure	1							
Vote 1 - COUNCIL		-	-	-				
Vote 2 - MUNICIPAL MANAGER		127	-	-				
Vote 3 - BUDGET AND TREASURY OFFICE		44	-	-				
Vote 4 - CORPORATE SERVICES		550	-	-				
Vote 5 - TECHNICAL SERVICES		18 310	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		19 030	-	-	-	-	-	-
Future operational costs by vote	2							
Vote 1 - COUNCIL								
Vote 2 - MUNICIPAL MANAGER								
Vote 3 - BUDGET AND TREASURY OFFICE								
Vote 4 - CORPORATE SERVICES								
Vote 5 - TECHNICAL SERVICES								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		19 030	-	-	-	-	-	-

Table 38 MBRR SA36 - Detailed capital budget per municipal vote

KZN211 Vulamehlo - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Qumbu/Mchumane Creche							Recreational facilities		1 500			1 500			Ward 1	New
Mashwase Resourse Center							Recreational facilities		2 300			2 300			Ward 2	New
MPCC Mlume Skills Center							Recreational facilities		1 900			1 900			Ward 3	New
Ngangeni Sports Ground							Sportsfields & stadia		2 700			2 700			Ward 4	New
Mphambanyoni Community Hall							Community halls		1 500			1 500			Ward 5	New
Bhewula Community Hall							Community halls		1 500			1 500			Ward 6	New
Buhlebezwe Comm Hall							Community halls		1 500			1 500			Ward 7	New
Ndlovu Road							Roads, Pavements & Bridges		1 300			1 300			Ward 8	New
Mahlafuna Sportsfield							Sportsfields & stadia		2 360			2 360			Ward 9	New
Harringworth Community Hall							Community halls		1 500			1 500			Ward 10	New
Parent Capital expenditure	1											18 060	-	-		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure												-	-	-		
Total Capital expenditure												-	-	18 060		

Table 39 MBRR SA37 - Projects delayed from previous financial year

KZN211 Vulamehlo - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days).
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. .
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee is shared with the district and is fully functional.
5. Service Delivery and Implementation Plan
The detail 2014/15 draft SDBIP document will be finalised and will be tabled before council.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

Other supporting documents :

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN211 Vulamehlo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>											
Total Property Rates	6	1 487	1 824	2 237	2 277	2 277			2 369	2 511	2 662
less Revenue Foregone					42	42			49	49	49
Net Property Rates		1 487	1 824	2 237	2 235	2 235	-	-	2 320	2 462	2 613
<u>Service charges - electricity revenue</u>											
Total Service charges - electricity revenue	6										
less Revenue Foregone											
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - water revenue</u>											
Total Service charges - water revenue	6										
less Revenue Foregone											
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>											
Total refuse removal revenue	6										
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
<u>Other Revenue by source</u>											
Miscellaneous		130	309	136							
Hall Hire					3				3	3	3
Rates Clearance					2				2	2	2
Tender Documents					30				75	75	75
Sundry Income					5	12 205			5	5	5
Accumulated Surplus					3 069						
Total 'Other' Revenue	3	130	309	136	3 108	12 205	-	-	85	85	85
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	8 975	9 955	10 785	13 610	13 610	13 610		15 329	16 271	17 223
Pension and UIF Contributions		1 059	1 484	1 761	1 875	1 875	1 875		1 957	2 078	2 199
Medical Aid Contributions					588	588	588		601	638	676
Overtime					206	206	206		206	219	231
Performance Bonus					-	-	-		-	-	-
Motor Vehicle Allowance		125	901	898	528	528	528		528	560	593
Cellphone Allowance					94	94	94		94	99	105
Housing Allowances					6	6	6		6	6	6
Other benefits and allowances		799	1 066	1 911	1 255	1 255	1 255		1 126	1 195	1 265
Payments in lieu of leave					170	170	170		170	180	191
Long service awards					-	-	-		-	-	-
Post-retirement benefit obligations	4				-	-	-		-	-	-
<i>sub-total</i>	5	10 958	13 406	15 355	18 332	18 332	18 332	-	20 017	21 248	22 491
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	10 958	13 406	15 355	18 332	18 332	18 332	-	20 017	21 248	22 491

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

Contributions recognised - capital										
<i>List contributions by contract</i>										
Total Contributions recognised - capital										
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	5 666	9 609	15 498	8 400	11 301	11 301		11 979	12 698	13 460
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	5 666	9 609	15 498	8 400	11 301	11 301	-	11 979	12 698	13 460
Bulk purchases										
Electricity Bulk Purchases										
Water Bulk Purchases										
Total bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	3 548	6 379	7 995	-	-	-	-	14 722	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	3 548	6 379	7 995	-	-	-	-	14 722	-	-
Contracted services										
Provision for shares services				900				1 000	1 060	1 124
Valuation Roll-Maintenance				211				223	237	251
Service Level Agreement and new modules				580				1 200	1 272	1 348
SITA WAN Services				150				159	169	179
Security	248	248	265	319				338	358	379
Lease of office equipment				250				265	281	298
Cleaning	11	26	29	32				34	36	38
Operating Lease					7 611			650	689	730
sub-total	259	273	295	2 441	7 611	-	-	3 869	4 101	4 347
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	259	273	295	2 441	7 611	-	-	3 869	4 101	4 347
Other Expenditure By Type										
Collection costs								200	212	225
Contributions to 'other' provisions										
Consultant fees					560			1 000	1 060	1 124
Audit fees	634	867	908		1 300			2 000	2 120	2 247
General expenses	831	936	1 293	29 837	33 064			2 909	3 083	3 268
Advertising	123	260	306					348	369	391
Bank Charges	76	102	127					116	123	130
Cleaning	-	-	-					-	-	-
Computer Expenses	669							265	281	298
Conferences and Delegations	1 858							227	241	256
Entertainment	222	171	170							
Fuel	614							939	995	1 055
Insurance	-	292	324					1 060	1 124	1 191
Legal Fees	1 971	1 811	220					707	749	794
Printing and Stationery	241	390	368					324	343	364
Projects	6 008	8 394	8 665					12 725	13 488	14 297
Ward Committee Incentives	-	-	-					680	721	764
Telephone and Fax	391	349	381					270	286	303
Water and Sanitation	53	22	42					53	56	60
Subscription and Publication	149	441	457					6	6	6
Repairs and Maintenance	610	1 080	620					8 000	8 400	8 800
Electricity		174	162					223	237	251
Motor Vehicle expenses		865	739					-	-	-
Software Expenses		1	81							
Subsistence and Travel		606	607					2 075	2 199	2 331
Training		317	90					233	247	262
Uniforms		-	34					46	49	52
Total 'Other' Expenditure	14 450	17 089	15 612	29 837	34 924	-	-	34 414	36 479	38 668

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance (continued)

Repairs and Maintenance	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		610	1 089	639	4 056			8 009	8 490	8 999
Total Repairs and Maintenance Expenditure	9	610	1 089	639	4 056	-	-	8 009	8 490	8 999

Table 41MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN211 Vulamehlo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - COUNCIL	Vote 2 - MUNICIPAL MANAGER	Vote 3 - BUDGET AND TREASURY OFFICE	Vote 4 - CORPORATE SERVICES	Vote 5 - TECHNICAL SERVICES	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				2 320													2 320
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment					297												297
Interest earned - external investments				700													700
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue				82	3												85
Transfers recognised - operational		9 637	7 295	10 906	24 745	23 949											76 532
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		9 637	7 295	14 008	25 045	23 949	-	-	-	-	-	-	-	-	-	-	79 934
Expenditure By Type																	
Employee related costs			3 176	5 486	8 702	2 654											20 017
Remuneration of councillors		7 104															7 104
Debt impairment				2 416													2 416
Depreciation & asset impairment				11 979													11 979
Finance charges					144												144
Bulk purchases																	-
Other materials																	-
Contracted services			1 000	1 200	1 669												3 869
Transfers and grants				3 732	930	10 060											14 722
Other expenditure																	-
Loss on disposal of PPE		2 533	4 263	1 128	13 051	13 438											34 414
Total Expenditure		9 637	8 439	25 941	24 495	26 152	-	-	-	-	-	-	-	-	-	-	94 664
Surplus/(Deficit)		0	(1 144)	(11 933)	550	(2 203)	-	-	-	-	-	-	-	-	-	-	(14 730)
Transfers recognised - capital						46 560											46 560
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		0	(1 144)	(11 933)	550	44 357	-	-	-	-	-	-	-	-	-	-	31 830

Table 42 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN211 Vulamehlo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		3 126	9 516	8 522	16 164	16 164			8 650	8 650	8 650
Other current investments > 90 days											
Total Call investment deposits	2	3 126	9 516	8 522	16 164	16 164	-	-	8 650	8 650	8 650
Consumer debtors											
Consumer debtors		1 153	2 483	3 513	3 347	3 347			3 566	3 566	3 566
Less: Provision for debt impairment		(284)	(2 121)	(2 183)	2 640	2 640			(2 215)	(2 215)	(2 215)
Total Consumer debtors	2	869	362	1 331	5 987	5 987	-	-	1 351	1 351	1 351
Debt impairment provision											
Balance at the beginning of the year		572	816	2 121	1 640	1 640			2 152	2 152	2 152
Contributions to the provision		(288)	1 305	62	1 000	1 000			63	63	63
Bad debts written off											
Balance at end of year		284	2 121	2 183	2 640	2 640	-	-	2 215	2 215	2 215
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		162 723	184 004	203 250	159 751	159 751			206 298	206 298	206 298
Leases recognised as PPE											
Less: Accumulated depreciation		54 458	62 048	77 193	66 934	66 934			78 351	78 351	78 351
Total Property, plant and equipment (PPE)	2	108 265	121 956	126 056	92 817	92 817	-	-	127 947	127 947	127 947
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 730	1 259	760	1 500	1 500			500	500	500
Total Current liabilities - Borrowing		1 730	1 259	760	1 500	1 500	-	-	500	500	500
Trade and other payables											
Trade and other creditors		746	4 271	5 106	1 632	1 632			5 182	5 182	5 182
Unspent conditional transfers		2 981	10 156	3 113	1 000	1 000			3 160	3 160	3 160
VAT											
Total Trade and other payables	2	3 727	14 427	8 219	2 632	2 632	-	-	8 342	8 342	8 342
Non current liabilities - Borrowing											
Borrowing					200	200					
Finance leases (including PPP asset element)		1 839	650	602	(100)	(100)			611	611	611
Total Non current liabilities - Borrowing	4	1 839	650	602	100	100	-	-	611	611	611
Provisions - non-current											
Retirement benefits			364	466					473	473	473
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	364	466	-	-	-	-	473	473	473
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		98 223	123 713	132 233	172 910	172 910			134 216	134 216	134 216
GRAP adjustments											
Restated balance		98 223	123 713	132 233	172 910	172 910	-	-	134 216	134 216	134 216
Surplus/(Deficit)		9 861	4 002	8 520	14 333	12 187	(29 633)	-	31 830	42 544	9 736
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	108 084	127 714	140 753	187 243	185 097	(29 633)	-	166 046	176 760	143 952
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation			163	163							
Total Reserves	2	-	163	163	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	108 084	127 878	140 917	187 243	185 097	(29 633)	-	166 046	176 760	143 952

Table 43 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN211 Vulamehlo - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Census 2011				83	83	83	83			
Females aged 5 - 14		Census 2011				13	13	13	13			
Males aged 5 - 14		Census 2011				11	11	11	11			
Females aged 15 - 34		Census 2011				15	15	15	15			
Males aged 15 - 34		Census 2011				13	13	13	13			
Unemployment		Census 2011				55	55	55	55			
Monthly household income (no. of households)												
No income	1, 12	per Census 2011					4 891	4 891	4 891			
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400		per Census 2011 income from R1-R9600					5 610	5 610	5 610			
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800		per Census income from R9600- R153600					3 740	3 740	3 740			
R204 801 - R409 600		per Census income above R153600					144	144	144			
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area		per Census 2011					83	83	83			
Number of poor people in municipal area												
Number of households in municipal area		per Census 2011					14	14	14			
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics												
Formal	3	per Census 2011					4 316	4 316	4 316			
Informal		per Census 2011					10 069	10 069	10 069			
Total number of households							14 385	14 385	14 385			
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings												
Economic												
Inflation/inflation outlook (CPI)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Municipal manager's quality certificate